I. REJECTION UNDER 35 USC 112 FOR CLAIMS 1-19 HAS BEEN CORRECTED AND SHOULD BE RECONSIDERED AND WHITDRAWN.

Claims 1-18 as amended and remain in the case, claim 19 has been changed.

II. REJECTION UNDER 35 USC 101 FOR CLAIMS 1-19 HAS BEEN CORRECTED AND SHOULD BE RECONSIDERED AND WHITDRAWN.

Claims 1-18 as amended and remain in the case, claim 19 has been changed.

Applicant respectfully submits that the within claims are patentable over the references cited, that the rejection should be reconsidered and withdrawn as to all claims, and that all claims should be allowed as shown herein below.

III. REJECTION UNDER 35 USC 102(b) FOR CLAIMS 1,3,4,7-9,11-17 IS NOT WELL TAKEN AND SHOULD BE RECONSIDERED AND WHITDRAWN; APPLICANT TRAVERSES SAID REJECTION.

As per claims 1, 3 and 4, Swart (6,347,306) discloses that the Recorded "Time-in", "Time-out" and "Break-time" hours is provided from an input terminal connected to data client computer system for acquiring in real-time time and attendance [claim 5 (b)]. But Swart fail to explicitly disclose how employees punch-in and punch-out. For example it may be a swipe card system, a finger-print-read system and etc. Whereas applicants' claim 3 is very specific and indicates that device being used is the computer mouse.

As per claims 7 Swart (6,347,306) discloses using the net pay calculation logic, net work segment pay for each work segment completed by employee not accessible to employee for review before issue of payroll check, Whereas the applicants' claim 7 provides access to hours

worked for each day or payroll period by the employee for review before payroll check issued and employee may save and/or print that report in case of a dispute.

As per claims 8 Swart (6,347,306) discloses (col.3 lines 57-60; via a third party deduction calculation software object comprising deduction logic operative to calculate additional deductions, to be included with the pay deduction information, in proportion to the gross work segment pay), Whereas the applicants' claim 8 provides calculation of days-off with pay or days-off without pay in accordance to Federal and all 52 States regulation and any individual office policy.

As per claims 9 Swart (6,347,306) discloses (col.3 lines 62-64; via a the deduction logic is operative to calculate tax deductions from the gross work segment pay in amounts corresponding to the duration of the completed work segment), Whereas the applicants' claim 9 provides calculation of the Gross payroll, Tax deductions and Net pay from calculated regular-working hours, over-time hours and break-time hours in accordance to Federal and each individual 52 States regulation and Tax Table which periodically may need to be updated.

As per claims 11 Swart (6,347,306) discloses that the final net pay information is sent by submitting electronic data to the bank to provide direct deposit of payment amount into the employee's account, whereas applicant's claim 11 indicates that the Software is able to print and issue a pay-check from calculated Net pay not to send any electronic data to the bank.

As per claims 12 Swart (6,347,306) discloses (col. 2 lines 3-5; via the payroll service also usually provides the employee with limited payroll information printed on a stub attached to the check or on a separate report), Whereas applicants' claim 12 indicates that the software is able to issue and print a pay-check Stub from calculated Gross payroll and Net pay with full disclosure of current and year-to-date of Gross, Net, all deductions and payroll period which is able to be issued and printed in-house.

As per claims 13, 14 and 15 Swart (6,347,306) discloses the calculation of gross hours and dollars for each employee and calculation of net pay and deductions for each employee to print the pay-check, whereas applicant's claim 13, 14 and 15 discloses the calculation of all total payroll taxes for Monthly, Quarterly and Yearly Tax deposit for <u>Employer's federal payroll tax deposit</u>.(In example: Tax Type: 941, 940, etc)

As per claims 16 Swart (6,347,306) discloses (col. 5 lines 66-67; via shift completion information can also include the event of authorization by which a supervisor or the like must authorize the shift. The supervisor would have to enter the system through their own path to accomplish these necessary duties that the employees are not able to), whereas applicant's claim 16 discloses employees have access to two parts of the software which includes only "Time-In", "Time-Out" and "Break" hours and Total of regular-working hours, over-time hours and break-time hours per day(s) or per payroll period, to be accessed for employee's review by the employee and the employee may save this report on his computer or print a hard copy.

1.   As per claims 17 Swart (6,347,306) discloses (col. 1, lines 27-30; via human resources computer system 220 contains employee starts a new job or project, the human resources department creates an employee profile, which <u>comprises information about the employee</u>), whereas applicant's claim 17 discloses that the software enables the Supervisor to add, update and delete the information of the employees in the Database, which includes all personal information for payroll tax purposes <u>and pre-set shift and hours per day work with allowance for overtime at the time of initial hiring</u>.

IV. <u>REJECTION UNDER 35 USC 103(a) FOR CLAIMS 2,5,6 and 18 IS NOT WELL TAKEN AND SHOULD BE RECONSIDERED AND WHITDRAWN; APPLICANT TRAVERSES SAID REJECTION.</u>

As per claim 2, Costello (2005/0,021,428) discloses that mobile employees can enter their time transaction data by using the mobile computing devices like cell phone or PDA, whereas applicants' claim 2 is very specific and indicates that Software has capability of being installed on a Server-computer with a local networking capability. In a local network data is transmitted thru a network cable and not by remote.

As per claim 5 and claim 6, Costello (2005/0,021,428) discloses that employee enters a screen name and password using the mobile phone keypad to gain access to a secure server, Whereas applicants' claim 5 and 6 indicates that whenever an employee enters his employee ID then Software displays employee's name, and whenever employee enters a wrong employee ID then Software shows an error, and this process is performed at a computer station or a network of computer stations.

As per claim 18, Costello (2005/0,021,428) discloses that authorized personnel can access the secure Web site, and generate a time transaction query based upon user-selected parameters for the employee, date, client, and service performed. Upon completion of the query, an authorized user may then download the stored data onto their computers. Costello indicates that authorized personnel has access to the secure Web site to download the data not to update, add or delete data, Whereas applicants' claim 18 indicates that Software enables the authorized personnel to add, update and delete data without the use of website or by remote and directly from the main server or his/her station.

V. REJECTION UNDER 35 USC 103(a) FOR CLAIMS 10 IS NOT WELL TAKEN AND SHOULD BE RECONSIDERED AND WHITDRAWN; APPLICANT TRAVERSES SAID REJECTION.

As per claim 10, Kelly (2004/0,088,234) discloses the fact that if any kind of adjustment is needed for calculating the salary for employees under hourly bases plus under project, then their software would calculate the compensations and the adjustments. Whereas applicants' claim 10 indicates that Software is able to in case of employees on salary only, calculate payroll and taxes by input the base salary and any other income or commission data.